

## zMonthly April 23

### Improved sentiment

After the collapse of four banks in just a few days in March, sentiment in financial markets improved surprisingly quickly in April. Investors saw the failures as isolated events rather than the start of a widespread banking crisis. Even the slight increase in core inflation rates in the US and the eurozone was unable to dampen optimism in the equity markets. Several European stock indices reached new highs for the year during the reporting month. Encouraging economic data, lower energy prices, a progressing easing of supply chains and a satisfactory reporting season so far provided tailwinds. In Switzerland, large caps outperformed small caps thanks to the outperformance of the index heavyweights. Temenos, a provider of banking software, allayed fears that the US banking crisis would have a negative impact on its business by posting strong first-quarter results. The share price rose accordingly. The positive margin development at Schindler, a manufacturer of elevators and escalators, was well received. The fund gained 1.4% in April (SPI Extra +1.2%).

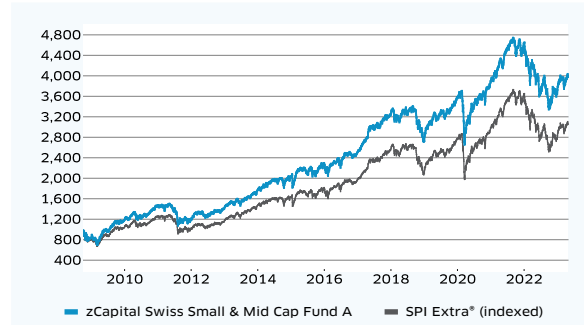
### U-Blox new in the fund

We bought a first tranche of shares in U-Blox. Under its new CEO, the chip manufacturer intends to focus more on its attractive core business. We also bought Roche, Swatch Group, Ypsomed and Huber+Suhner. We realised gains in BKW, Helvetia and Burckhardt Compression. We exited Skan completely due to its high valuation.

### Core inflation is the central banks' problem

The economy is performing better than expected in America and to some extent in Europe. Strong interim reports from US companies point to continued robust private consumption. This is not surprising at a time of full employment and skilled labour shortages. In many countries there are more job vacancies than unemployed, and wages are rising to compensate for inflation. Companies in turn have to raise prices to compensate for higher costs. The wage-price spiral is already reflected in persistent core inflation, which was 5.7% in Europe and 5.6% in the US in March. Both figures were above economists' expectations. For the Fed and the ECB, these core inflation rates are unacceptable. We therefore believe that interest rates will continue to rise until either unemployment rises sharply or the financial markets correct significantly. We regard expectations of the first interest rate cuts in the US in the second half of 2023 as too optimistic. SNB President Thomas Jordan has clearly signaled that price stability is the top priority. Interest rates in Switzerland are therefore also likely to rise. We have not changed our defensive stance.

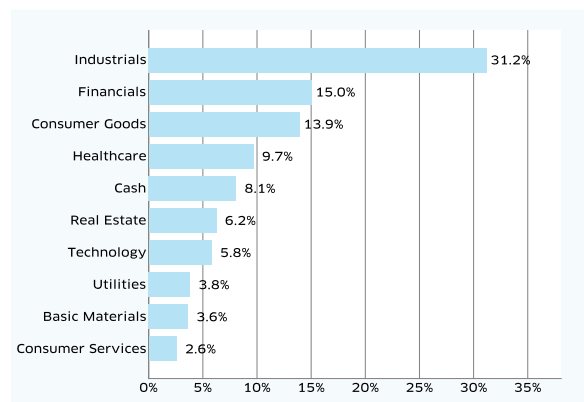
### Performance since Launch (as of 28/04/2023)



### Performance (as of 28/04/2023)

<b>MTD (Fund / Benchmark)</b>	1.4% / 1.2%
<b>YTD</b>	9.8% / 11.3%
<b>1 year</b>	-1.8% / -1.6%
<b>3 years p.a.</b>	8.0% / 8.8%
<b>5 years p.a.</b>	4.3% / 3.6%
<b>10 years p.a.</b>	10.1% / 9.3%
<b>Since launch p.a.</b>	10.1% / 8.1%

### Sectors (as of 28/04/2023)



### Largest Positions (as of 28/04/2023)

<b>1</b>	Lindt & Sprüngli	5.7%
<b>2</b>	Julius Baer	5.3%
<b>3</b>	Kühne + Nagel	4.5%
<b>4</b>	Swatch	4.3%
<b>5</b>	Schindler	3.9%
<b>6</b>	SGS	3.9%
<b>7</b>	Baloise	3.6%
<b>8</b>	Straumann	3.2%
<b>9</b>	Temenos	3.1%
<b>10</b>	BKW	3.0%
<b>11</b>	Roche	2.8%
<b>12</b>	PSP Swiss Property	2.6%
<b>13</b>	SIG Group	2.6%
<b>14</b>	VAT Group	2.5%
<b>15</b>	Tecan	2.2%

## Investment Strategy

The zCapital Swiss Small & Mid Cap Fund invests in Swiss small and mid-cap stocks and measures itself against the SPI Extra® (all SPI® stocks without SMI® or without the 20 largest securities). The fund assets are invested in a broadly diversified portfolio of 50 to 70 companies. zCapital strives to consistently exceed the benchmark return with a long-term, active investment style. Investment decisions are based on fundamental company analyses, considering and assessing corporate governance and other key ESG aspects. Macroeconomic factors are also included in the decision-making process.

## Portfolio Structure (as of 28/04/2023)

<b>Net Asset Value</b>	CHF 4,004.29 per Share A
<b>Total Assets</b>	CHF 957 m
<b>Investment Exposure</b>	91.9%
<b>Number of Companies</b>	64

## Statistics 3 Years (as of 28/04/2023)

<b>Volatility Fund / Index p.a.</b>	15.3% / 16.5%
<b>Tracking Error</b>	2.1%
<b>Information Ratio</b>	-0.4

## Termsheet

<b>Fund-Name</b>	zCapital Swiss Small & Mid Cap Fund (Class A)
<b>Asset Manager</b>	zCapital AG, Zug
<b>Swiss Security Number / ISIN</b>	4534164 / CH0045341648
<b>Price Publications</b>	www.zcapital.ch, www.swissfunddata.ch, www.fundinfo.com
<b>Bloomberg / Reuters</b>	ZCAPSWI SW Equity / 4534164.S
<b>Benchmark</b>	SPI Extra® (Swiss small & mid cap equities)
<b>Morningstar-Rating</b>	★★★★
<b>Minimum Investment / Reference Currency</b>	No minimum investment required / CHF
<b>Fund Type / Distribution</b>	Swiss Securities Fund / Authorized for public distribution in Switzerland and Germany
<b>Fund Management Company / Custodian Bank</b>	LLB Swiss Investment AG, Zürich / Bank Julius Bär & Co. AG, Zürich
<b>Management Fee (incl. Fund Management and Custodian Fees)</b>	1.5% p.a., of which 0.1% donated to charities which engage in "Children and Education"
<b>Issue Fee / Redemption Fee</b>	None / 0.4% in favour of the fund
<b>Total Expense Ratio (TER) as of 30/11/2022</b>	1.51%
<b>Subscriptions and Redemptions</b>	On each bank working day at Net Asset Value (NAV). Subscriptions and redemptions which are placed with the Custodian Bank by 3.45 pm CET on a bank business day (Order Day), are processed on the next bank working day (Valuation Day) based on the Order Day's closing price.
<b>Auditor</b>	PricewaterhouseCoopers AG, Zurich

## Yearly Performance (as of 28/04/2023)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Fund</b>	-14.5%*	40.2%	23.4%	-18.4%	17.8%	26.0%	15.2%	12.8%	9.3%	29.0%	-14.4%	28.7%	9.2%
SPI Extra®	-18.5%*	29.6%	20.1%	-19.1%	13.9%	27.7%	11.4%	11.0%	8.5%	29.7%	-17.2%	30.4%	8.1%

	2021	2022	2023
<b>Fund</b>	19.0%	-21.1%	9.8%
SPI Extra®	22.2%	-24.0%	11.3%

\* since Launch date (6 October 2008)

## Monthly Performance (as of 28/04/2023)

2023	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
<b>Fund</b>	6.5%	1.4%	0.2%	1.4%									9.8%
SPI Extra®	7.6%	1.5%	0.8%	1.2%									11.3%

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